

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

January 27, 2011

TO: Internal File

THRU: Steve Christensen, Team Lead *SC*

FROM: Angela Nance, Business Analyst *AN*

RE: Midterm Permit Review, COVOL Engineered Fuels, LLC, COVOL Site, C/007/0045, Task ID #3719

SUMMARY:

In accordance with R645-303-211, The Division is required to review each active permit during its term. The Division commenced the Midterm Review for the COVOL Site on December 29, 2010. This Technical Memorandum reviews the ownership and control information to ensure that it is current and correct as compared to the information found in the Applicant Violator System (AVS).

The findings in this memo are based on a review of the current Mining and Reclamation Plan (MRP).

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TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

COVOL Engineered Fuels, LC is a subsidiary of Headwaters Energy Services Corporation. Headwaters Energy Services Corporation is a subsidiary of Headwaters Incorporated. COVOL is the owner/operator of the dry coal cleaning facility located in Carbon County, Utah.

Findings:

Some of the information in the current MRP does not match the information found in the OSM/AVS database.

The following deficiencies must be addressed in accordance with **R645-301-112.330**:

Headwaters Incorporated

1. The MRP shows **Steven G. Stewart, Treasurer** with a Begin Date of 09/04/2007, however, AVS shows Mr. Stewart with a Begin Date for Treasurer as 10/01/05. *Please address this discrepancy by either correcting this information in the MRP to show the same date as is in AVS or by providing a Secretary's Certificate to correct the AVS with the date shown in the MRP.*

Headwaters Energy Services Corporation

1. The MRP shows **Harlan M. Hatfield, Vice President** with a Begin Date of 04/09/2003, however, the AVS shows him as Vice President with a Begin Date of 05/12/04. *Please address this discrepancy by either correcting this information in the MRP to show the same date as is in AVS or by providing a Secretary's Certificate to correct the AVS with the date shown in the MRP.*
2. The MRP shows **Harlan M. Hatfield, Assistant Secretary** with a Begin Date of 04/09/2003. The AVS shows that Mr. Hatfield ended his position as Assistant Secretary on 01/03/06. *Please address this discrepancy by either correcting the MRP or providing a Secretary's Certificate to correct the AVS.*

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3. The MRP shows **Scott Ballard, Treasurer** with a Begin Date of 04/15/2009. The AVS shows that Mr. Ballard ended his position as Treasurer on 04/01/2010. *Please address this discrepancy by either correcting the MRP or providing a Secretary's Certificate to correct the AVS.*
4. The AVS shows **Scott Jackson, Treasurer** with a Begin Date of 04/01/2010. This information is not in the MRP. *Please update the MRP to include this information.*
5. The MRP shows **Jason T. Day, Assistant Secretary** with a Begin Date of 05/12/2004. The AVS shows that Mr. Day ended his position as Assistant Secretary on 04/01/2010. *Please address this discrepancy by either correcting the MRP or providing a Secretary's Certificate to correct the AVS.*
6. The AVS shows **Mike Mildenhall, Assistant Secretary** with a Begin Date of 04/01/2010. This information is not in the MRP. *Please update the MRP to include this information.*

COVOL

1. The MRP shows **Harlan M. Hatfield, Manager** with a Begin Date of 08/09/2004, however, the AVS shows him with a Begin Date of 06/01/2006. *Please address this discrepancy by either correcting the MRP or providing a Secretary's Certificate to correct the AVS.*
2. The MRP shows **Scott Ballard, Treasurer** with a Begin Date of 04/17/2009. The AVS shows that Mr. Ballard ended his position as Treasurer on 04/01/2010. *Please address this discrepancy by either correcting the MRP or providing a Secretary's Certificate to correct the AVS.*
3. The AVS shows **Scott Jackson, Treasurer** with a Begin Date of 04/01/2010. This information is not in the MRP. *Please update the MRP to include this information.*
4. The MRP shows Curtis J. Brown as an Officer. The AVS lists Mr. Brown as a Secretary. *Please update the MRP to reflect Mr. Brown's specific position.*
5. The MRP shows **Jason T. Day, Assistant Secretary** with a Begin Date of 05/12/2004. The AVS shows that Mr. Day ended his position as Assistant Secretary on 04/01/2010. *Please address this discrepancy by either correcting the MRP or providing a Secretary's Certificate to correct the AVS.*
6. The AVS shows **Mike Mildenhall, Assistant Secretary** with a Begin Date of 04/01/2010. This information is not in the MRP. *Please update the MRP to include this information.*

RECOMMENDATION:

The Operator should submit an application to correct the Ownership and Control information in the COVOL MRP.